



Global Markets Monitor

Monetary and Capital Markets Department
Global Markets Analysis Division

Thursday, August 1, 2019





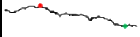


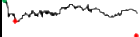


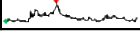
- **US Fed's first rate cut since the global financial crisis disappoints markets** ([link](#))
- **European bank equities gain on favorable earnings reports** ([link](#))
- **Bank of England leaves rates unchanged, as expected** ([link](#))
- **BIS data highlight continuing deceleration of USD credit growth outside the US** ([link](#))
- **US and China plan next round of trade negotiations in September** ([link](#))
- **Brazil's central bank cuts selic rate by 50 bps to 6.0%** ([link](#))

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Markets cautious post hawkish Fed cut

European bourses and US equity futures gained modestly this morning despite a more hawkish-than-expected Fed yesterday. European equities were supported by the banking sector (+0.8%) after favorable results from Standard Chartered, Barclays, and Societe Generale. Although the majority of analysts had expected a 25 bps Fed cut, market participants were disappointed by a more hawkish-than-expected statement and press conference. Specifically, chairman Powell wrongfooted investors by indicating that yesterday's 25 bps cut was not necessarily the start of an easing cycle, calling it a "mid-cycle adjustment." The VIX rose sharply by more than 2 percentage points to 16.1 yesterday but has since moderated to 15.2. Emerging markets remained under pressure this morning following the hawkish Fed cut the resulting stronger dollar. The dollar DXY index continued to strengthen this morning (+0.3%) after appreciating 0.5% yesterday. Elsewhere, two other major central banks made monetary policy announcements in the last 24 hours, with the Brazilian central bank cutting the selic rate by 50 bps yesterday and the Bank of England keeping rates unchanged this morning, as expected.

Key Global Financial Indicators

| Last updated: 8/1/19 8:38 AM | Level | | Change from Market Close | | | | YTD |
|--------------------------------------|---|--------|--------------------------|--------|---------|------|-----|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| S&P 500 |  | 2980 | -1.1 | -1 | 1 | 6 | 19 |
| Eurostoxx 50 |  | 3480 | 0.4 | -1 | -1 | -1 | 16 |
| Nikkei 225 |  | 21541 | 0.1 | -1 | -1 | -5 | 8 |
| MSCI EM |  | 42 | -0.4 | -3 | -4 | -6 | 7 |
| Yields and Spreads | | | bps | | | | |
| US 10y Yield |  | 2.02 | -4.4 | -6 | 0 | -99 | -66 |
| Germany 10y Yield |  | -0.44 | 0.5 | -7 | -8 | -91 | -68 |
| EMBIG Sovereign Spread |  | 323 | 4 | -2 | -15 | -3 | -91 |
| FX / Commodities / Volatility | | | % | | | | |
| EM FX vs. USD, (+) = appreciation |  | 62.2 | -0.2 | -1 | -1 | -4 | 0 |
| Dollar index, (+) = \$ appreciation |  | 98.8 | 0.3 | 1 | 2 | 4 | 3 |
| Brent Crude Oil (\$/barrel) |  | 64.1 | -1.5 | 1 | -1 | -11 | 19 |
| VIX Index (% change in pp) |  | 15.2 | -1.0 | 2 | 1 | 2 | -10 |

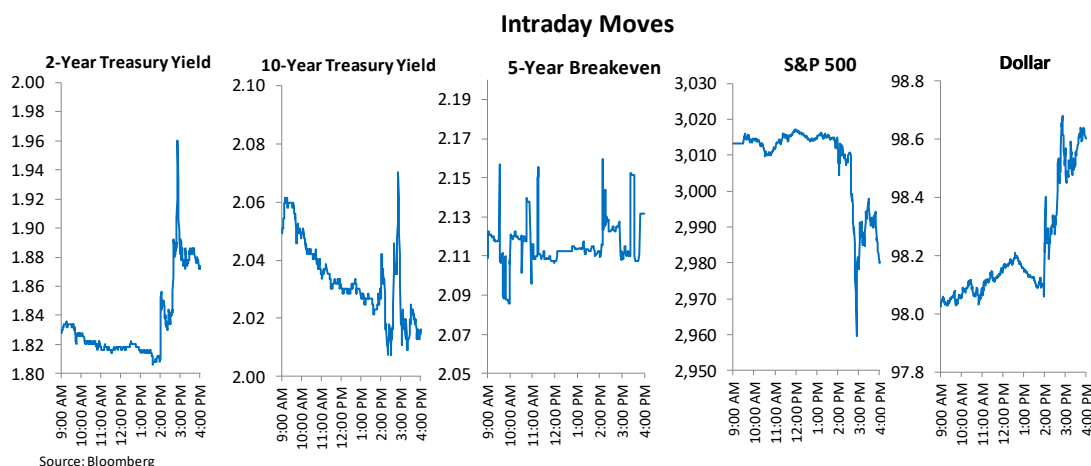
Colors denote **tightening**/**easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

United States

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The Fed cut interest rates by 25 bps for the first time since the global financial crisis. At the press conference, Chairman Powell said that downside risks were coming from abroad, and the policy action was designed to keep the global outlook favorable. He also said that today's cut was not the beginning of a long series of rate cuts, but a 'mid-cycle adjustment to policy.' He, however, did not rule out more reductions. The Fed also announced they would end the run-off of their \$3.8 tn asset portfolio on Thursday, August 1, two months earlier than previously scheduled. Kansas City Fed President George and Boston Fed President Rosengren dissented from the decision, preferring to leave the rate unchanged. Recent comments by them had suggested that they did not see a strong case for cutting interest rates because US economic data had been good. Following the decision, President Trump tweeted "what the market wanted to hear from Powell was that this was the beginning of a lengthy and aggressive rate-cutting cycle" and "as usual, Powell let us down."

The FOMC decision disappointed financial markets. Although the majority had expected a 25 bps cut, market participants were disappointed by a more hawkish than expected statement and press conference. **Treasury 2-year rates spiked up by 15 bps instantaneously** to 1.96% following the headlines before closing at 1.87%. The **yield curve flattened, with the 2/10 year spread falling by 8 bps to 14 bps.** The 10-year yield had started falling in the morning following a much weaker-than-expected Chicago PMI for July (44.4 versus 51.0 cons.), and continued to decline to finish at 2.01, 5 bps lower on the day. Analysts pointed out that the Chicago PMI might have been heavily affected by the auto sector. **S&P 500 plummeted 1.1% to below 3,000**, and the dollar DXY index strengthened by 0.5%. The **VIX rose sharply by more than 2 percentage points to 16.1 but has since moderated to 15.2.** Moreover, there was no surprise from Treasury's quarterly refunding announcement. The Treasury Department will keep its auction size of nominal coupon and floating-rate debt unchanged for the rest of the calendar year.



Europe

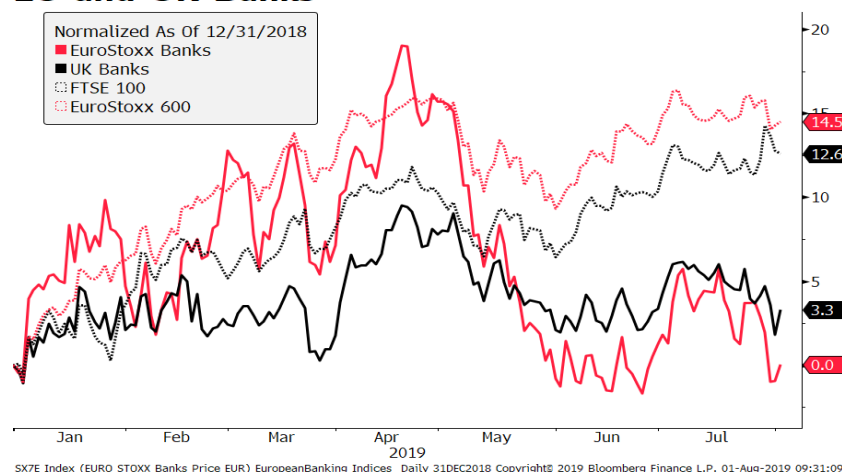
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Europe

Regional indices are higher despite yesterday's decline in US stocks. The EuroStoxx 600 is up 0.4% with Italy (+0.7%) outperforming. The UK FTSE 100 is flat. **The banking sector is up 0.8% in Europe and 1.5% in the UK after favourable results from Standard Chartered (+3.8%), Barclays (+2.8%), and**

Societe Generale (+5.0%). Despite today's outperformance, the banking sectors in the EU (flat) and the UK (+3.3%) have vastly underperformed the main indices year to date.

EU and UK Banks

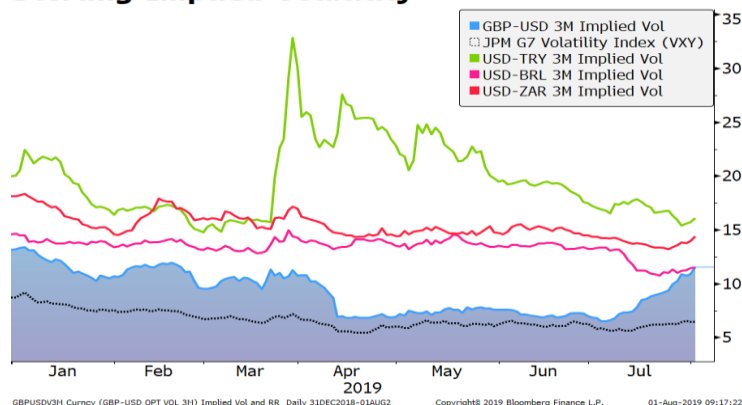


In fixed income markets, yields are broadly higher across the region, taking their cues from US rates. Core and Southern Europe yields are up between 2 and 5 bps, offsetting yesterday's declines. On net, not much has changed over the last two sessions in European rates.

The Bank of England left rates unchanged at 0.75%, as expected, in a unanimous vote. The BoE emphasised the uncertainty in the outlook due to Brexit, meaning that the economy "could follow a wide range of paths." The staff's central projection for inflation stands at 2.2% in 2-years' time and 2.4% in 3 years, and its growth forecast was trimmed slightly to 1.3% for next two years. These projections take into account market expectations for one rate cut by early 2020, but it does not include a no-deal possibility. When asked about it, Carney noted that a no-deal outcome probably means higher inflation and slower economic growth. Asset prices are little changed following the meeting.

In Brexit news, the Chancellor of the Exchequer Sajid Javid announced another £2.1 bn pounds in spending on no-deal preparations. This is on top of a similar amount of spending already pledged to the cause. The money will be directed towards budget items such as border staff, support at ports, and medical supplies. **On markets, sterling has resumed its depreciation trend now trading near \$1.21.** Of note, implied volatility for the sterling-dollar pair is now approaching levels of some of the more volatile EM currencies (chart), with the 3-month measure at nearly 12%.

Sterling Implied Volatility

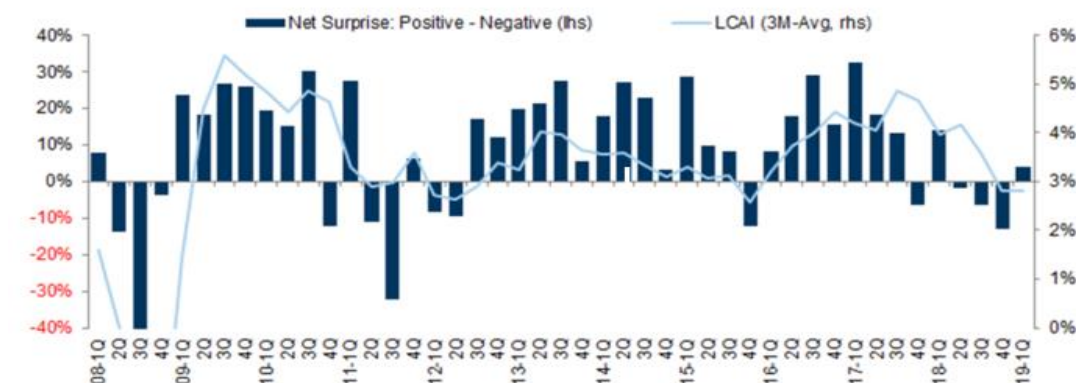


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Japan

Equities (+0.2%) rose, recovering from earlier losses as financials outperformed. Major Japanese banks, Nomura and Mitsubishi UFJ, reported large increases in quarterly profit amid trading gains. More companies have surprised to the upside than to the downside during the current earnings season. On trade, Japan plans to press ahead with its plan to remove South Korea from a list of trusted export destinations, according to Bloomberg. **The yen weakened -0.3% while 10-year JGB yields rose 2.3 bps to -0.14%.**

Exhibit 1: Positive surprises slightly outweigh negative surprises so far in 1Q
TSE1 firms with a Feb/Mar fiscal year-end, as of July 31

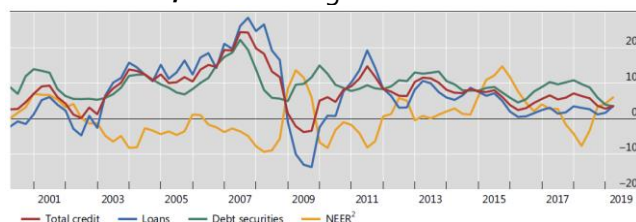


Source: I/B/E/S, Toyo Keizai, FactSet, Goldman Sachs Global Investment Research

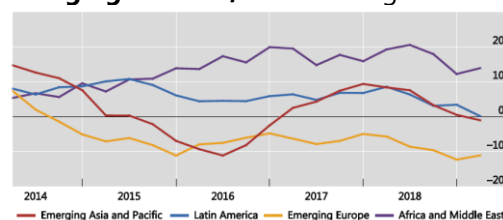
Global Credit

BIS data highlight continuing deceleration of USD credit growth outside the United States. USD-denominated credit to non-financial borrowers outside the United States, whose rapid growth bolstered total global and non-US credit in the early post-GFC period, is now growing broadly in line with US credit growth. Quarterly data from the BIS highlights the continuation since early 2018 of several trends. (1) USD credit to non-bank borrowers outside the US has long grown more slowly than global credit and now continues (third consecutive quarter) to grow more slowly than USD credit in the United States. (2) Foreign currency credit denominated in euros (+7% yoy) and Japanese yen (+13%) continues to grow much faster than USD credit (+4%). (3) USD-denominated debt securities, a main driver of USD credit growth, is decelerating sharply, to +3.5% yoy – the slowest rate since at least 1Q2000 and slower than bank loans (+3.6% yoy) for the first time. (4) USD credit to emerging market borrowers has weakened in recent quarters. Cross-border bank credit to borrowers in emerging markets has been particularly weak; foreign currency provided locally remains more stable. These trends clearly stem from USD strength over the past several quarters; possible effects of developments in intermediation channels are less well-understood.

USD credit to non-bank borrowers outside the United States, YoY % change



USD credit to non-bank borrowers in emerging markets, YoY % change






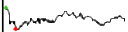










Source: Bank for International Settlements

Emerging Markets

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EM assets are under pressure following a more hawkish-than-expected Fed yesterday and the resulting stronger dollar. Asian equities (-0.8%) were mostly lower. India (-1.4%) underperformed amid concerns over a slowdown following a weak industrial activity print. The Philippines (+0.7%), Vietnam (+0.6%) and Malaysia (+0.3%) meanwhile outperformed. Regional currencies broadly weakened. In **EMEA**, equity markets are down across the board with Saudi Arabia (-0.9%) underperforming, followed by South Africa and Turkey (both down 0.6%). Currencies are depreciating 0.3-0.5% against the dollar except for the Ukrainian hryvnia which is appreciation nearly 1% on continued positive sentiment after the recent electoral victory of the ruling party and reports of increasing portfolio inflows. Manufacturing PMIs for several CEE countries came out today and were on the lower end of expectations, especially for the Czech Republic. **Latin American** equity markets were mostly lower on Wednesday. Brazil saw the biggest losses as equity index fell 1.1%, followed by Argentina equity index (-1%). Local currencies were mixed. The Colombian peso outperformed (+0.7%) while the Chilean peso weakened 0.7%. 10-year government bond yields rose in Brazil but were mostly lower in other countries.

Key Emerging Market Financial Indicators

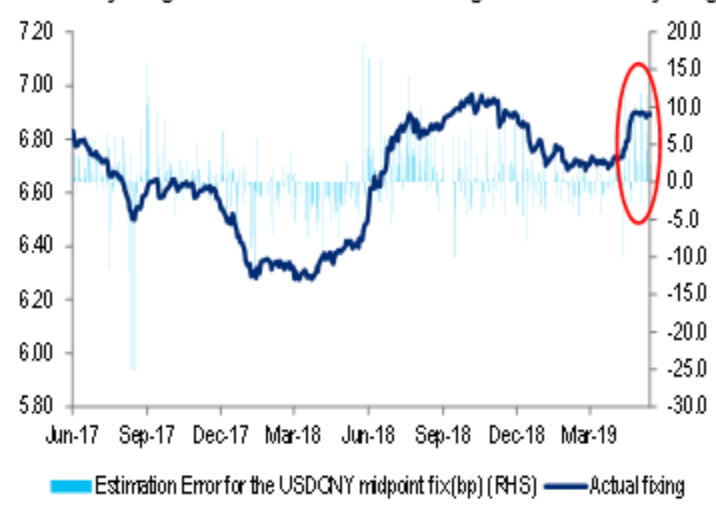
| Last updated: 8/1/19 8:40 AM | Level | | Change | | | | |
|---------------------------------|---|-------|-----------------------------------|--------|---------|------|------|
| | Last 12m | index | 1 Day | 7 Days | 30 Days | 12 M | YTD |
| Major EM Benchmarks | | | % | | | | % |
| MSCI EM Equities |  | 41.77 | -0.4 | -3 | -4 | -6 | 7 |
| MSCI Frontier Equities |  | 29.68 | -0.3 | -1 | 0 | -1 | 13 |
| EMBIG Sovereign Spread (in bps) |  | 323 | 4 | -2 | -15 | -3 | -91 |
| EM FX vs. USD |  | 62.24 | -0.2 | -1 | -1 | -4 | 0 |
| Major EM FX vs. USD | | | %, (+) = EM currency appreciation | | | | |
| China Renminbi |  | 6.90 | -0.3 | 0 | -1 | -1 | 0 |
| Indonesian Rupiah |  | 14116 | -0.7 | -1 | 0 | 2 | 2 |
| Indian Rupee |  | 69.06 | -0.4 | 0 | 0 | -1 | 1 |
| Argentine Peso |  | 43.88 | 0.2 | -2 | -3 | -37 | -14 |
| Brazil Real |  | 3.82 | -0.4 | -1 | 0 | -2 | 1 |
| Mexican Peso |  | 19.22 | -0.4 | -1 | 0 | -3 | 2 |
| Russian Ruble |  | 63.97 | -0.5 | -1 | -2 | -2 | 8 |
| South African Rand |  | 14.48 | -0.9 | -3 | -2 | -9 | -1 |
| Turkish Lira |  | 5.58 | 0.1 | 2 | 1 | -10 | -5 |
| EM FX volatility |  | 7.00 | 0.0 | 0.0 | -1.0 | -3.0 | -2.8 |

Colors denote **tightening/easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

China

US and Chinese officials plan the next round of trade negotiations in early September in Washington. Both sides wrapped up talks in Shanghai yesterday with little progress, but made positive statements. The White House mentioned that meetings were constructive, and that China reaffirmed its commitment to increase purchases of US agricultural exports. Forced technology transfer, intellectual property rights, services, non-tariff barriers and agriculture were also discussed. Comments by China's commerce ministry were broadly in line with the US, stating that talks were candid, constructive and in-depth. **Equities (Shanghai -0.8%; Shenzhen -0.5%) fell, while the onshore RMB (-0.3%; offshore unchanged) weakened.** The People's Bank of China (PBoC) fixed the RMB stronger, with analysts suggesting that the authorities are limiting depreciation through the counter-cyclical adjustment factor.

USDCNY fixing continued to show strong-side bias and fixing refuses to break 6.90



Source: Citi

China is stepping up supervision of large real estate companies with high leverage. The PBoC in a July 29 meeting on improving the credit structure of banks urged banks to 'reasonably' control lending to the property sector, while they should increase support to small and medium enterprises, manufacturing and tech firms.

Brazil

Brazil's central bank cut its selic rate by 50 bps to 6.0% on Wednesday amid a weak domestic growth outlook and lower inflation. This was the first rate-cut in over a year and the rate reached a new record low. While stating that their next move will depend on activity and inflation data, the COPOM signaled that forecasts for below-target consumer prices in 2020 leave the door open to more easing. The central bank board wrote in a statement accompanying the decision that "the committee deems that the consolidation of the benign scenario for prospective inflation should permit additional adjustment of the degree of stimulus". The real closed 0.5% weaker and implied rates from DI futures rose modestly ahead of the monetary policy announcement yesterday.



Source: Bloomberg

Mexico

Mexico narrowly avoided a technical recession as preliminary GDP grew 0.1% qoq in the second quarter of 2019 but contracted a more-than-expected 0.7% yoy. The growth was mainly driven by agriculture (+1.4% yoy) and services (+0.1% yoy) while industrial sectors were the main drag (-2.8% yoy). Market pricing was dominated by the Fed's monetary policy decision yesterday, with domestic equities down 0.7% and the peso depreciating 0.5% against the dollar.























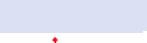





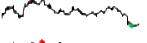


Source: Bloomberg

List of GMM Contributors (Global Markets Analysis Division, MCM Department)
Anna Ilyina*Division Chief***Peter Breuer***Deputy Division Chief***Will Kerry***Deputy Division Chief***Evan Papageorgiou***Deputy Division Chief***Sergei Antoshin***Senior Economist***John Caparusso***Senior Financial Sector Expert***Sally Chen***Senior Economist***Fabio Cortés***Senior Economist***Frank Hespeler***Senior Financial Sector Expert***Mohamed Jaber***Senior Financial Sector Expert***David Jones***Senior Financial Sector Expert***Sanjay Hazarika***Senior Financial Sector Expert***Juan Solé***Senior Economist***Jeffrey Williams***Senior Financial Sector Expert***Akihiko Yokoyama***Senior Financial Sector Expert***Dimitris Drakopoulos***Financial Sector Expert***Tryggvi Gudmundsson***Economist***Henry Hoyle***Financial Sector Expert***Robin Koepke***Economist***Thomas Piontek***Financial Sector Expert***Rohit Goel***Financial Sector Expert***Jochen Schmittmann***Economist***Ilan Solot***Financial Sector Expert***Martin Edmonds***Senior Data Mgt Officer***Yingyuan Chen***Senior Research Officer***Piyusha Khot***Research Assistant***Xingmi Zheng***Research Assistant*

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Global Financial Indicators

| Last updated: 8/1/19 8:39 AM | Level | | Change | | | | YTD |
|---------------------------------|---|--------|----------------------------------|--------|---------|------|-------|
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| Equities | | | % | | | | % |
| United States |  | 2980 | -1.1 | -1 | 1 | 6 | 19 |
| Europe |  | 3480 | 0.4 | -1 | -1 | -1 | 16 |
| Japan |  | 21541 | 0.1 | -1 | -1 | -5 | 8 |
| China |  | 2909 | -0.8 | -1 | -4 | 3 | 17 |
| Asia Ex Japan |  | 68 | -1.2 | -3 | -4 | -6 | 7 |
| Emerging Markets |  | 42 | -0.4 | -3 | -4 | -6 | 7 |
| Interest Rates | | | basis points | | | | |
| US 10y Yield |  | 2.02 | -4.4 | -6 | 0 | -99 | -66 |
| Germany 10y Yield |  | -0.44 | 0.5 | -7 | -8 | -91 | -68 |
| Japan 10y Yield |  | -0.13 | 2.3 | 2 | 2 | -26 | -13 |
| UK 10y Yield |  | 0.61 | -0.5 | -10 | -21 | -77 | -67 |
| Credit Spreads | | | basis points | | | | |
| US Investment Grade |  | 118 | -0.4 | 0 | -2 | 19 | -29 |
| US High Yield |  | 434 | -0.2 | -2 | -6 | 97 | -87 |
| Europe IG |  | 52 | 1.6 | 5 | 0 | -10 | -36 |
| Europe HY |  | 258 | 4.6 | 18 | 9 | -29 | -95 |
| EMBIG Sovereign Spread |  | 323 | 4.0 | -2 | -15 | -3 | -91 |
| Exchange Rates | | | % | | | | |
| USD/Majors |  | 98.84 | 0.3 | 1 | 2 | 4 | 3 |
| EUR/USD |  | 1.10 | -0.4 | -1 | -2 | -5 | -4 |
| USD/JPY |  | 108.8 | 0.0 | 0 | 0 | 3 | 1 |
| EM/USD |  | 62.2 | -0.2 | -1 | -1 | -4 | 0 |
| Commodities | | | % | | | | |
| Brent Crude Oil (\$/barrel) |  | 64 | -1.5 | 1 | -1 | -11 | 19 |
| Industrials Metals (index) |  | 113 | -0.9 | -1 | 2 | -6 | 4 |
| Agriculture (index) |  | 39 | -0.3 | -2 | -4 | -13 | -6 |
| Implied Volatility | | | % | | | | |
| VIX Index (% change in pp) |  | 15.2 | -1.0 | 2.4 | 1.1 | 2.0 | -10.3 |
| 10y Treasury Volatility Index |  | 4.1 | -0.2 | -0.5 | -0.3 | 0.3 | -0.5 |
| Global FX Volatility |  | 6.6 | 0.0 | 0.1 | 0.1 | -1.2 | -2.4 |
| EA Sovereign Spreads | | | 10-Year spread vs. Germany (bps) | | | | |
| Greece |  | 248 | 0.7 | 11 | -17 | -102 | -167 |
| Italy |  | 204 | 5.8 | 16 | -28 | -27 | -46 |
| Portugal |  | 80 | 1.5 | 1 | 3 | -51 | -68 |
| Spain |  | 75 | 2.3 | 3 | 5 | -23 | -43 |

Colors denote **tightening**/**easing** financial conditions for observations greater than ± 1.5 standard deviations.
Data source: Bloomberg.

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Emerging Market Financial Indicators

| Last updated: 8/1/2019 8:40 AM | Exchange Rates | | | | | | | YTD | Local Currency Bond Yields (GBI EM) | | | | | | | |
|--------------------------------------|----------------|--------|-----------------------|--------|---------|------|----------|-----|-------------------------------------|-------|--------------------------|---------|------|------|--|--|
| | Level | | Change (in %) | | | | | | Level | | Change (in basis points) | | | | | |
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | Last 12m | | Latest | 1 Day | 7 Days | 30 Days | 12 M | YTD | | |
| | vs. USD | | (+) = EM appreciation | | | | | | % p.a. | | | | | | | |
| China | | 6.90 | -0.3 | -0.4 | -1 | -1 | 0 | | 3.2 | 0.0 | 1 | -7 | -27 | 1 | | |
| Indonesia | | 14116 | -0.7 | -1.0 | 0 | 2 | 2 | | 7.4 | 7.3 | 15 | -3 | -51 | -72 | | |
| India | | 69 | -0.4 | 0.0 | 0 | -1 | 1 | | 6.7 | -2.1 | -2 | -30 | -132 | -77 | | |
| Philippines | | 51 | -0.6 | -0.1 | 0 | 4 | 3 | | 4.6 | -5.9 | -8 | -29 | -133 | -172 | | |
| Thailand | | 31 | 0.0 | 0.2 | -1 | 7 | 5 | | 2.0 | -1.7 | -10 | -29 | -82 | -67 | | |
| Malaysia | | 4.14 | -0.4 | -0.7 | 0 | -2 | 0 | | 3.6 | 0.2 | -1 | -3 | -49 | -50 | | |
| Argentina | | 44 | 0.2 | -2.3 | -3 | -37 | -14 | | 30.3 | 1.3 | -3 | 160 | 1002 | 729 | | |
| Brazil | | 3.82 | -0.4 | -1.2 | 0 | -2 | 1 | | 6.7 | 5.9 | 9 | -23 | -280 | -150 | | |
| Chile | | 706 | -1.2 | -1.3 | -4 | -9 | -2 | | 2.9 | -7.0 | -12 | -41 | -191 | -152 | | |
| Colombia | | 3280 | 0.7 | -2.4 | -2 | -12 | -1 | | 5.7 | -6.4 | 8 | -11 | -89 | -86 | | |
| Mexico | | 19.22 | -0.4 | -1.0 | 0 | -3 | 2 | | 7.6 | -4.4 | 3 | -3 | -24 | -116 | | |
| Peru | | 3.3 | -0.2 | -0.3 | 0 | -1 | 2 | | 4.6 | 11.3 | 11 | -30 | -98 | -117 | | |
| Uruguay | | 34 | -0.2 | -1.6 | 2 | -11 | -6 | | 9.8 | 12.1 | -7 | -68 | | -91 | | |
| Hungary | | 296 | -0.6 | -1.1 | -3 | -7 | -5 | | 1.4 | -2.2 | 10 | -28 | -101 | -85 | | |
| Poland | | 3.89 | -0.6 | -1.9 | -3 | -6 | -4 | | 1.9 | -0.8 | 11 | -16 | -66 | -36 | | |
| Romania | | 4.3 | -0.4 | -1.1 | -2 | -8 | -5 | | 3.8 | 2.0 | 4 | -26 | -78 | -42 | | |
| Russia | | 64.0 | -0.5 | -1.2 | -2 | -2 | 8 | | 7.1 | -2.0 | 2 | -17 | -42 | -130 | | |
| South Africa | | 14.5 | -0.9 | -2.7 | -2 | -9 | -1 | | 9.4 | 0.3 | 24 | 21 | 24 | -18 | | |
| Turkey | | 5.58 | 0.1 | 2.1 | 1 | -10 | -5 | | 15.2 | -7.0 | -76 | -172 | -398 | -168 | | |
| US (DXY; 5y UST) | | 98.8 | 0.3 | 1.0 | 2 | 4 | 3 | | 1.84 | 1.3 | -2 | 5 | -103 | -67 | | |

| | Equity Markets | | | | | | | Bond Spreads on USD Debt (EMBIG) | | | | | | |
|--------------|----------------|--------|---------------|--------|---------|------|-----|----------------------------------|--------|--------------------------|--------|---------|------|------|
| | Level | | Change (in %) | | | | YTD | Level | | Change (in basis points) | | | | YTD |
| | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | | Last 12m | Latest | 1 Day | 7 Days | 30 Days | 12 M | |
| | | | | | | | | basis points | | | | | | |
| China | | 2909 | -0.8 | -1 | -4 | 3 | 17 | | 180 | 2 | 4 | -1 | 0 | -14 |
| Indonesia | | 6382 | -0.1 | 0 | 0 | 6 | 3 | | 172 | 0 | 9 | -14 | -5 | -64 |
| India | | 37018 | -1.2 | -2 | -7 | -1 | 3 | | 130 | -3 | -6 | -18 | -22 | -66 |
| Philippines | | 8098 | 0.7 | -2 | 1 | 3 | 8 | | 72 | 1 | 7 | -6 | -27 | -49 |
| Malaysia | | 1639 | 0.3 | -1 | -3 | -8 | -3 | | 115 | 0 | 0 | -13 | -11 | -47 |
| Argentina | | 42058 | 1.6 | 6 | 1 | 43 | 39 | | 795 | 10 | -22 | -17 | 237 | -20 |
| Brazil | | 101812 | -1.1 | -2 | 0 | 28 | 16 | | 208 | 2 | 7 | -21 | -58 | -65 |
| Chile | | 4972 | -0.1 | 0 | -2 | -8 | -3 | | 125 | 1 | -1 | -8 | -8 | -41 |
| Colombia | | 1562 | -0.4 | -2 | 1 | 1 | 18 | | 176 | 1 | 8 | 1 | -5 | -52 |
| Mexico | | 40863 | -0.7 | -1 | -6 | -17 | -2 | | 327 | 4 | 4 | 1 | 49 | -27 |
| Peru | | 19957 | -1.2 | -4 | -4 | -2 | 3 | | 118 | 3 | 4 | -4 | -26 | -50 |
| Hungary | | 40600 | 0.8 | -2 | 0 | 12 | 4 | | 93 | 0 | 7 | 5 | -15 | -55 |
| Poland | | 58934 | -1.2 | -2 | -2 | -2 | 2 | | 30 | -2 | -1 | -7 | -24 | -55 |
| Romania | | 9139 | -0.7 | 2 | 4 | 14 | 24 | | 185 | 2 | -2 | 1 | 20 | -36 |
| Russia | | 2726 | -0.5 | 1 | -3 | 18 | 15 | | 196 | 5 | 11 | -3 | 9 | -56 |
| South Africa | | 56584 | -0.4 | -2 | -3 | -1 | 7 | | 308 | 9 | 32 | 32 | 41 | -57 |
| Turkey | | 101771 | 5.5 | 0 | 2 | 5 | 12 | | 460 | 9 | 13 | 4 | 41 | 31 |
| Ukraine | | 541 | 0.0 | 0 | -2 | 6 | -3 | | 471 | 10 | 23 | -31 | -28 | -316 |
| EM total | | 42 | ##### | -3 | -4 | -6 | 7 | | 323 | 4 | -2 | -15 | -3 | -91 |

Colors denote tightening/easing financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.